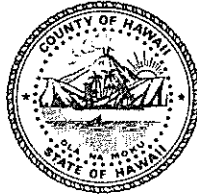


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 • Fax (808) 961-8742

CERTIFIED MAIL

7000 0600 0024 2905 2854

June 22, 2001

Mr. Glen Koyama
Belt Collins Hawaii Ltd.
680 Ala Moana Blvd., First Floor
Honolulu, HI 96813-5406

Dear Mr. Glen Koyama:

Variance Permit No. 1209 WH (VAR 01-022)
Applicant: BELT COLLINS HAWAII LTD.
Owner: WHITE SANDS BEACH LIMITED PARTNERSHIP
Request: Variance From Cul-de-Sac Requirements,
Chapter 23, Subdivisions, Article 3,
Division 4, Street Design, Section 23-48, Cul-de-sacs, (a)
Tax Map Key: 6-8-022:009, Por. (SUB 01-021)

After reviewing your variance application and the information submitted, the Planning Director certifies the approval of your variance from Chapter 23, Subdivisions, Article 3, Division 4, Street Design, Section 23-48, Cul-de-sacs, (a), and allows the permitted roadway improvements to serve more than 18 lots from the existing cul-de-sacs being constructed.

The Planning Director has concluded that the variance from the minimum subdivision street design and other related subdivision requirements be approved based on the following findings:

BACKGROUND/SPECIAL AND UNUSUAL CIRCUMSTANCES

There are special and unusual circumstances which exist and warrant consideration of the applicant's request and necessitate the subject variance request from the street design and road improvements being constructed:

005575

JUN 25 2001

Mr. Glen Koyama
Belt Collins Hawaii Ltd.
Page 2
June 22, 2001

1. The subject area includes Lots 11 through 18, inclusive, containing 39.336 acres +/-, and is part of an approved subdivision (SUB 7358). The subject area and existing lots are near the Mauna Lani Resort North Course Subdivision No. 2 and at Kalahuipuaa and Waikoloa, South Kohala, Hawaii.
2. The subject area or TMK property(s) are zoned Resort (V-1.25) and Open (O) by the County and is designated Urban ("U") by the State Land Use Commission (LUC).
3. Pursuant to subdivision records (SUB 7358), the subject TMK property(s) and existing rights-of-way were permitted and approved by the Planning Department on December 12, 2000. The proposed subdivision roadways and subdivision construction plans for SUB 7358 were approved by the affected agencies before final subdivision approval was granted by the Planning Department on December 12, 2000. The proposed road improvements and other improvements required by the approved subdivision construction plans were bonded by the applicant/owner(s) prior to Planning Department's granting final subdivision approval to SUB 7358 on December 12, 2000.

The applicant, on behalf of the owner, recently submitted a subdivision application (SUB 01-021) which includes a preliminary plat map, dated February 16, 2001, to further subdivide the subject TMK property(s) into 43 lots. Subdivision application (SUB 01-021) is being deferred pending further review of the planned road improvements and resolve of other subdivision construction requirements.

4. The applicant submitted the subject variance application to the Kona Planning Department on March 9, 2001. (Please refer to the applicant's (CONSULTANT) variance application form, detailed written explanation, "SUPPLEMENT"-5 Pages, and other attachments in the variance file which are incorporated herein.)
5. The Department of Public Works (DPW) memorandum, dated April 9, 2001, states in part:

"We have reviewed the subject application and have no comments. If you have any questions please contact Kiran Emler of our Kona office at 327-3530."

Mr. Glen Koyama
Belt Collins Hawaii Ltd.

Page 3

June 22, 2001

6. No comments were received from the State Department of Health (DOH).
7. The applicant submitted a letter and respective attachment on April 16, 2001, as proof of mailing a notice of the variance application to owners of property within 300 feet of the boundary of the area or subject TMK property(s).

To date, no oral objections or letter(s) objecting to the subject request were received by the Planning Department.

Therefore, after considering existing site development, information submitted by the applicant, and agency comments, the Planning Director has determined that there are special or unusual circumstances applying to the subject property which exist either to a degree which deprive the owners of substantial property rights that would otherwise be available or to a degree which obviously interferes with the best use or manner of development of the subject property.

ALTERNATIVES

There are no other reasonable alternatives in resolving the difficulty of the applicant. The development is within a designated resort area where the planned lots created by the proposed subdivision will be purchased for use as vacation or second homes or/and that are occupied by "part-time" residents. The number of trips or kind of traffic within this resort area will be less than the daily commuter traffic normally encountered in traditional urban patterns or between the typical urban residential neighborhood and "downtown" or the business/shopping districts within a city.

In addition, the owner(s) have considered previously approved road alignments and other utility and public access and cultural needs. The proposed subdivision and traffic patterns will address and respect existing topography, augment surrounding approved recreational uses (golf course), resort use(s), and public access requirement(s). Optimal lot geometry and lot orientation, maintenance of private and public views planes within the area, appropriate open space(s) to harmonize with surrounding private recreational and resort uses, and appropriate interface between the approved subdivision roadways and existing resort infrastructure and other safety concerns have been considered by the owner(s)/consultants; and will be privately monitored and maintained. In addition, pedestrian pathways are included and extend from the cul-de-sacs to insure and promote alternative non-vehicular circulation or pedestrian accessibility within the subdivision and interface with surrounding developed areas.

Mr. Glen Koyama
Belt Collins Hawaii Ltd.
Page 4
June 22, 2001

In view of previous subdivision approval(s) and past commitments to allow development within this area, to limit the number of lots and restrict creative utilization of previously approved road infrastructure would be unreasonable at this time, and, impede development of this zoned area and permitted resort and residential use(s).

INTENT AND PURPOSE

The intent and purposes of imposing good road design and installing necessary roadway improvements within a proposed subdivision are to insure that safe ingress and egress to the property or the proposed lots/permitted use(s) within the subdivision are made accessible by pedestrian and standard vehicles, and, that ingress or egress within that subdivision is not impeded during a time of emergency.

The analysis of existing site conditions, current market circumstances, past approved subdivision construction plans, and previously approved subdivision plat maps were considered and comport with the information submitted by the applicant. The analysis of the consultant's statements and owner(s) needs and other agency concerns will be further addressed in any revised subdivision construction plans to provide individual lot access. Approved subdivision construction improvements shall be installed in accordance to approved subdivision construction plans and specifications and any additional access improvements or modifications to existing approved plans shall meet all agency requirements and are required to be installed and inspected by the agencies before final subdivision approval is granted.

The State Department of Health had no comment on the proposed road design.

The permitted road design and other roadway maintenance and insurance provisions will be privately addressed by the owner(s) and/or maintained by the future lot owner(s).

DETERMINATION-VARIANCE CONDITIONS

The subject variance application was acknowledged by certified letter dated March 23, 2001. Pursuant to a recent telephone conversation with the consultant and owner's representative, Mr. Roger Harris, the date on which the Planning Director shall render a decision on the subject variance was extended to June 22, 2001.

Mr. Glen Koyama
Belt Collins Hawaii Ltd.
Page 5
June 22, 2001

Based on the foregoing findings, this variance request would be consistent with the general purpose of the zoning district and the intents and purposes of the Zoning Code, Subdivision Code and the County General Plan. Furthermore, the variance requested will not be materially detrimental to the public's welfare and will not cause substantial adverse impact to the area's character and to adjoining properties.

The variance requested to allow a proposed subdivision with a street design or cul-de-sacs to serve more than 18 lots is approved subject to the following conditions:

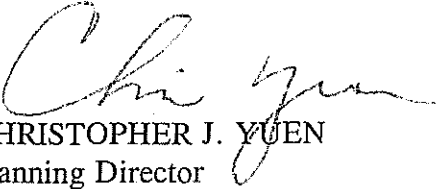
1. The applicant, owner(s), their assigns, or successors shall be responsible for complying with all stated conditions of approval.
2. The approval of this variance is only from the Subdivision Code. The applicant/owner(s), their assigns, or successors shall indemnify and hold the County of Hawaii harmless from and against any loss, liability, claim, or demand for the property damage, personal injury, or death arising out of any act or omission of the applicants/consultants/owner(s), their successors or assigns, officers, employees, contractors, or agents under this variance or relating to or connected with the granting of this variance.
3. The approval of this variance allows and permits the proposed lots denoted on the preliminary plat map dated February 16, 2001 or other similar and subsequent plat map layouts approved by the Planning Director.
4. No ohana dwellings shall be permitted on any lots created by SUB 01-021.
5. In the event that there are any amendments or changes to the existing subdivision bond, the applicant shall be responsible for informing the County Planning Department of such amendments or changes so that the agreement can be amended concomitantly.
6. The owners, their assigns or successors shall pay any real property taxes due and comply with all Special Management Area (SMA) Permit conditions, tentative and final subdivision conditions, and other applicable State and County rules and regulations pertaining to subdivisions and land use.

Mr. Glen Koyama
Belt Collins Hawaii Ltd.
Page 6
June 22, 2001

Should any of the foregoing stated conditions not be complied with, the Planning Director may proceed to declare this Variance Permit null and void.

Thank you for your understanding and patience during our review.

Sincerely,


CHRISTOPHER J. YUEN
Planning Director

WRY:cps
P:\WP60\WRY\FORMLETT\VARAPPSUBTMK68022009.49RH

xc: DWS-Engineering Branch
Roger Harris
SUB 01-021
Planning Dept - Kona